

State of Arizona
Senate
Forty-sixth Legislature
First Regular Session
2003

CHAPTER 205

SENATE BILL 1222

AN ACT

AMENDING SECTION 10-11602, ARIZONA REVISED STATUTES; RELATING TO RURAL
ELECTRIC COOPERATIVES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 10-11602, Arizona Revised Statutes, is amended to
3 read:

4 10-11602. Inspection of records by members

5 A. Subject to subsections E and F of this section, any member who has
6 been a member of record at least six months immediately preceding its demand
7 is entitled to inspect and copy any of the records of the corporation
8 described in section 10-11601, subsection E during regular business hours at
9 the corporation's principal office, if the member gives the corporation
10 written notice of its demand as provided in section 10-3141 at least five
11 business days before the date on which the member wishes to inspect and copy.

12 B. Subject to subsections E and F of this section, a member who has
13 been a member of record at least six months immediately preceding its demand
14 is entitled to inspect and copy any of the following records of the
15 corporation during regular business hours at a reasonable location specified
16 by the corporation, if the member meets the requirements of subsection C of
17 this section and gives the corporation written notice of its demand as
18 provided in section 10-3141 at least five business days before the date on
19 which the member wishes to inspect and copy the following:

20 1. Excerpts from any records required to be maintained under section
21 10-11601, subsection A, to the extent not subject to inspection under
22 subsection A of this section.

23 2. Accounting records of the corporation.

24 3. Subject to section 10-11605, the membership list described in
25 section 10-11601, subsection C.

26 4. The corporation's most recent financial statements showing in
27 reasonable detail its assets and liabilities and the results of its
28 operations.

29 C. A member may inspect and copy the records identified in subsection
30 B of this section only if the following conditions are met:

31 1. The member's demand is made in good faith and for a proper purpose.

32 2. The member describes with reasonable particularity the member's
33 purpose and the records the member desires to inspect.

34 3. The records are directly connected with the member's purpose.

35 D. This section does not affect either:

36 1. The right of a member to inspect records under section 10-3720 or,
37 if the member is in litigation with the corporation, to the same extent as
38 any other litigant.

39 2. The power of a court, independently of chapters 24 through 40 of
40 this title, to compel the production of corporate records for examination on
41 proof by a member of proper purpose.

42 E. The articles of incorporation or bylaws of a corporation organized
43 primarily for religious purposes may limit or abolish the right of a member
44 under this section to inspect and copy any corporate record.

1 F. Unless the board of directors has provided express permission to
2 the member, a member of a corporation that is a condominium association or
3 RURAL ELECTRIC COOPERATIVE OR a planned community association is not entitled
4 to inspect or copy any records, documents or other materials that are
5 maintained by or in the possession of the corporation and that relate to any
6 of the following:

7 1. Personnel matters or a person's medical records.

8 2. Communications between an attorney for the corporation and the
9 corporation.

10 3. Pending or contemplated litigation.

11 4. Pending or contemplated matters relating to enforcement of the
12 corporation's documents or rules.

13 5. Meeting minutes or other records of a session of a board meeting
14 or a members' meeting that is not required to be open to all members pursuant
15 to section 33-1248 or 33-1804.

APPROVED BY THE GOVERNOR MAY 12, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 13, 2003.

Passed the House April 16, 20 03,

by the following vote: 49 Ayes,

9 Nays, 2 Not Voting

Jake Flake
Speaker of the House

Norman L. Moore
Chief Clerk of the House

Passed the Senate March 13, 20 03,

by the following vote: 24 Ayes,

5 Nays, 1 Not Voting

Ken Bennett
President of the Senate

Charmine B. Blythe
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

S.B. 1222

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS
AND FINAL PASSAGE

Passed the Senate May 6, 2003,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

Ken Flenett
President of the Senate
Charmine B. Bunting
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

6 day of May, 2003

at 3:11 o'clock P M.

Sandra Chambery
Secretary to the Governor

Approved this 12 day of

May, 2003,

at 9⁴⁰ o'clock A M.

J. T. McElroy
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 13 day of May, 2005

at 4:03 o'clock P M.

Janice L. Brown
Secretary of State

S.B. 1222